



STATE OF UTAH
NATURAL RESOURCES
State Lands & Forestry

Scott M. Matheson, Governor
Temple A. Reynolds, Executive Director
Ralph A. Miles, Division Director

3100 State Office Building • Salt Lake City, UT 84114 • 801-533-5381

October 26, 1983

CERTIFIED MAIL NO. P 402 455 059

Enercor
820 Beneficial Life Tower
Salt Lake City, UT 84111

RE: ML 21202

Gentlemen:

I was informed today by Mr. Ivan Hjort of your notice to Texaco not to proceed with the Rainbow Tar Sands Project. In view of this suspension, the State, as Lessor, hereby requires immediate performance of complete reclamation.

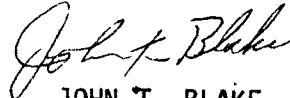
Reclamation of all mineral exploration and mining land disturbances by Enercor on this lease site must be performed in accordance with the following guidelines:

1. Plug all drill holes in accordance with requirements or recommendations of the Utah Division of Oil, Gas, and Mining.
2. Scatter all drill hole cuttings, fill in any mud pits, and cover over any drilling fluid runoff or spills on the landscape.
3. Reduce or contour to a slope of no steeper than 2:1 all cuts and embankments at the test pit site. Shaping of required slope at cuts should be achieved with fill; shaping of required slope at embankments should be achieved through back sloping.
4. Level off all spoil piles not used in filling cuts and contour the entire surface area of the pit site to blend with surround terrain and facilitate natural drainage.
5. Redistribute any stockpiles of soil material over the recontoured pit site.
6. Seed the entire pit site and all drill sites in accordance with the seed mixture recommendation recently given by the Division of Oil, Gas, and Mining.
7. Remove all trash and debris from the premises.
8. Complete all other reclamation requirements to which this project may be subject under the Utah Mined Land Reclamation Act.

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Failure of Enercor to perform complete reclamation of this lease site within 30 days from date of this letter may result in forfeiture of bond no. MM 129999 to the State. Please keep me advised of your action in this matter.

Sincerely yours,



JOHN T. BLAKE
MINERALS RESOURCE SPECIALIST

JTB/mh

cc: Ivan Hjort
Texaco, Inc.
P. O. Box 2100
Denver, CO 80201

Susan Linner
Division of Oil, Gas, and Mining